

## **REMARKS/ARGUMENTS**

Claims 1, 7-12 and 20 have been amended. Claims 2-6 and 13-19 are unchanged. No Claims have been cancelled. New Claim 21 has been added. Claims 1-20 have been rejected. Claims 1-21 are currently pending in this application. Claims 1, 7, 8, 9, and 21 are in independent format.

### **Objection to the Specification**

The Examiner objected to the Abstract because it contains references to the drawings. Applicant traverses the objection. The abstract that appears on the cover page of the pamphlet published by the International Bureau (IB) of the World Intellectual Property Organization (WIPO) is the abstract that will be used by the USPTO. See MPEP § 1893.03(e). Each main technical feature mentioned in the abstract and illustrated by a drawing in the international application shall be followed by a reference sign, placed between parentheses. PCT Rule 8.1. Thus, reference numerals may appear in the abstract of a national phase application. Applicant respectfully requests that the Examiner withdraw the objection.

The paragraph beginning at page 17, line 6 has been amended herein to correct minor typographical errors.

### **Claim Rejections under 35 U.S.C. § 112**

The Examiner rejected Claims 9-20 as indefinite under 35 U.S.C. § 112, second paragraph, because the Examiner is unable to determine what the Applicant is claiming by the claim language "the use of the exchange." (Oct 1, 2009 Office Action ("Office Action"), pg. 3, para. 4). The Examiner states that if Applicant is claiming a system for usage of the method, structure of the system needs to be provided. *Id.* Claims 9-20

have been amended to clarify that Applicant is claiming a system for usage of the method, as suggested by the Examiner. Applicant respectfully requests that the rejection under 35 USC § 112 be withdrawn.

### **Claim Rejections under 35 U.S.C. § 101**

The Examiner rejected Claims 1-20 under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter. (Office Action, pg. 3, para. 5). The Examiner notes that to qualify as patent eligible, a process must positively identify the apparatus that accomplishes the method steps. (*Id.*, pg. 4, para. 5; pg. 5, para. 5). Applicant respectfully traverses the Examiner's rejection. Applicant notes that the *In re Bilski* case cited by the Examiner is currently under review by the Supreme Court. Applicant submits that the machine or transformation test conflicts with Supreme Court precedent holding that patentable subject matter is broad and flexible and with the Patent Act's definition of business method patents in 35 U.S.C. § 273.

Subject to the foregoing, and without prejudice to pursue the original claims in a continuation or continuation-in-part application, independent Claims 1 and 7-9 have been amended to positively identify an apparatus, i.e. an exchange comprising a data storage locker and a database containing membership, registration and transaction detail, that accomplishes the method steps. Support for these amendments can be found, for example, at paragraphs [0120] and [0123] of the Specification. Additionally, Claims 1 and 7 require a central media database containing a list of digital media master files, unique digital media file identifiers, associated owner identifiers, and associated copyright owner identifiers and the master copies of digital media files. Thus, Claims 1 and 7-9 recite statutory subject matter. Dependent Claims 2-6 and 10-20 depend directly or indirectly from Claims 1 and 9, respectively and thus recite statutory subject matter for at least the same reasons as Claims 1 and 9. Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. § 101.

**Claim Rejections under 35 U.S.C. § 102**

Claim 8 is rejected under 35 U.S.C. 102(e) as being anticipated by O'Kane et al. Pub. No. 2003/0097299 ("*O'Kane*"). Applicant respectfully traverses the rejection. The Examiner maintains that *Donian* discloses "creating a common index of content from multiple peer-to-peer networks([0043]); and providing an interface to said common index, said interface accessible by a standard web-browser to enable searching of said common index ([0043],[0162]; FIG 1). As illustrated by paragraph [0122] of the Specification, the index referred to in Claim 8 is a precompiled list of copyrighted files and their locations that is used to provide data to the DCE search form. Figure 1 of *Donain* makes no reference to any index, much less providing an interface to or enabling searching of an index. Paragraph [0043] of *Donian* states that the local peer client software application "searches for files matching the request criteria." That paragraph makes no mention of an index or pre-compilation of such an index, nor does it describe in any way how the search is conducted. Rather, *Donian* describes only searching for files matching request criteria, which must necessarily occur *after* the search criteria have been provided. While Paragraph [0162] of *Donian* discloses a remote media catalog, it does not disclose how such a catalog is created or that it may be created by indexing one or more peer-to-peer networks.. Since *Donian* fails to describe a common index of content from multiple peer-to-peer networks, and providing an interface to or enabling searching of an index, Applicant respectfully submits that *Donian* does not anticipate Claim 8. Therefore, Applicant requests that Examiner withdraw the rejection of Claim 8 under 35 U.S.C. §102 (e).

Claims 9 and 17 are rejected under 35 U.S.C. 102(e) as being anticipated by Donian et al. Pub. No. 2004/0003398 ("*Donian*"). Claim 9 has been amended herein to include storing a master copy of the digital media files in a central media database and distributing a *verified copy of the master copy* of each said digital media file from said

central media database to said buyer. Support for this amendment may be found in the Abstract and at least in paragraphs [0020], [0046], [0089], [0090], [0095] and [0122] of the Specification. Since *Donian* fails to describe either storing a master copy of digital media files in a central database or distributing verified copies of such files to a buyer, Applicant respectfully submits that *Donian* does not anticipate Claim 9. Claim 17 depends on amended Claim 9 and thus includes all of the limitations of Claim 9. Thus, Claim 17 is allowable for at least the same reasons as Claim 9. Therefore, Applicant requests that Examiner withdraw the rejection of Claims 9 and 17 under 35 U.S.C. §102 (e).

**Claim Rejections under 35 U.S.C. § 103**

In this Office Action, the Examiner made the following rejections under 35 U.S.C. §103:

- Claims 1-7 as being unpatentable over Pou et al. Pub. No. 2005/004873 ("*Pou*"), in view of *O'Kane*;
- Claims 2 and 4-7 as being unpatentable over *Pou*;
- Claim 3 as being unpatentable over *Pou* in view of *O'Kane* and further in view of Mikkelsen et al. US Patent Number 7,548,875 ("*Mikkelsen*");
- Claims 10 and 13 as being unpatentable over *O'Kane* in view of *Donian*;
- Claims 11-12 and 18 as being unpatentable over *O'Kane* in view of *Pou*;
- Claim 14 as being unpatentable over *O'Kane* in view of *Donian* further in view of *Pou*;
- Claim 15 as being unpatentable over *O'Kane* in view of Wu Pub. No. 2003/0074322 ("*Wu*");
- Claim 16 as being unpatentable over *O'Kane* in view of Tadayon et al. US Patent Number 7,222,104 ("*Tadayon*");

- Claim 20 as being unpatentable over *O'Kane* in view of Moskowitz et al. Pub. No. 2003/0200439 ("*Moskowitz*"); and
- Claim 19 as being unpatentable over *O'Kane* in view of *Pou* further in view of Demers et al. Pub. No. 2004/0068536 ("*Demers*").

Applicant respectfully traverses the rejections under 35 U.S.C. § 103. Applicant believes the Examiner has not established a *prima facie* case of obviousness for any of claims 1-7, 10-16 and 18-20.

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all of the claim limitations. MPEP § 706.02(j) See MPEP § 2143 - § 2143.03 for decisions pertinent to each of these criteria.

The Examiner acknowledges that the prior art references do not expressly contain all the limitations of Claims 1-7, 10-16 and 18-20. For example, the Examiner acknowledges that:

*Pou* does not specifically disclose:

- "transferring, through said exchange interface, a payment from a buyer to a seller on said peer-to-peer network upon verification of an authorized sale of a digital media file located with said exchange interface; and transferring, through said exchange interface, a royalty payment to an owner associated with said authorized sale of digital media." (Claims 1,7)
- "wherein said authorized sale of said digital media is a sale of a physical media storing a copy of said digital media" (Claim 3)

*O'Kane* does not specifically disclose:

- "control of the payment and ownership conditions for the transfer or conveyance of ownership in real time." (Claim 10)
- "wherein the Exchange method includes providing a record of the purchase (verified ownership)." (Claim 12)
- "wherein plural transaction configurations are available within the Exchange method." (Claim 18)
- "Said owners (including copyright and royalty owners) may optionally control conditions of resale of said digital media online." (Claim 14)
- "wherein the Exchange method includes immobilizing a physical media corresponding to the digital media files." (Claim 11)

*Pou* in view of *O'Kane et al.* does not specifically disclose:

- "wherein said authorized sale of said digital media is a sale of a physical media storing a copy of said digital media." (Claim 3)

To account for the acknowledged missing limitations in the prior art, the Examiner attempts to rely on conclusory statements that it would be obvious to one skilled in the art to modify one reference with another to produce the claimed inventions. However, the Examiner fails to provide proper support for her assertions. For instance, the Examiner asserts that it would have been obvious to one skilled in the art to modify the invention of:

- *Pou et al.* to include the feature of *O'Kane et al.* in order to send and/or route information and/or payments directly to the parties involved in a normal P2P or file sharing networking environment (Claim 1)
- *Pou et al.* to include the feature of *Mikkelsen et al.* in order to provide a seller/distributor or service provider with a convenient and more efficient way of promoting and selling digital media (Claim 3)
- *O'Kane* to include the real-time features as taught by *Donian et al.* to provide up-to-date transactions (Claim 10)

The Examiner relies on similar improper conclusory statements to reject Claims 12, 14-16 and 18-20.

The Supreme Court in *KSR Int'l Co. v. Teleflex, Inc.*, 127 S.Ct. 1727, 82 USPQ2d 1385 (2007) stated, "Rejections on obviousness cannot be sustained by mere conclusory statements; instead there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." The Examiner has not provided a convincing line of reasoning as to why an artisan would have seen the claimed invention as obvious. Rather, the Examiner simply cites the prior art references and states the combination of various parts from such references would be obvious, without providing any reasoning articulated with some rational underpinning or reference as to what motivation, teaching or suggestion would lead an artisan to make any such combination. The MPEP clearly states that "the mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination." MPEP 2143.01.

As noted above, it remains necessary to identify the reason why a person of ordinary skill in the art would have combined the prior art elements in the manner claimed. See *KSR* at 1731. Here, the Examiner has failed to provide a rationale for combining the cited references. To support the conclusion that the claimed invention is directed to obvious subject matter "the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." MPEP §706.02(j), citing *Ex parte Clapp*, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985).

The case of *KSR* does not alter the principles set out above based on the facts of the instant invention. There is nothing predictable in and from the prior art relied upon by the Examiner that yields applicant's invention as claimed. "Although common sense directs one to look with care at a patent application that claims as innovation the

combination of two known devices according to their established functions, it can be important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does." *Id.* at 1396. As the above references to the MPEP show, a patent comprised of several elements is not proved obvious merely by demonstrating that each of the elements was independently known in the prior art. MPEP 2143.01.

Claims 1-6 and 9-20

Claim1 has been amended to require to include storing a master copy of the digital media files in a central media database and distributing a verified copy of the master copy of each said digital media file from said central media database to said buyer. The cited references do not teach or disclose either storing a master copy of digital media files in a central database or distributing verified copies of such files to a buyer. Thus, Claim 1 is not rendered obvious by any combination of the cited references.

As discussed above, Claim 9 has been amended in similar fashion and is therefore also allowable over the cited references. Claims 2-6 and 10-20 depend from Claims 1 and 9 respectively and thus, Claims 2-6 and 10-20 are allowable for at least the same reasons as Claims 1 and 9.

Claim 11

Claim 11 is allowable for at least the reasons stated above. Additionally, the Examiner asserts that *O'Kane* "discloses the use of claim 9, but does not specifically disclose wherein the Exchange method includes immobilizing a physical media corresponding to the digital media files." (Office Action, pg. 13, para. 11). The Examiner maintains that *Pou* discloses if the payment fails, the user can enter a different payment method and try again. **If** the user chooses not to try again or if no payment method offered is validated, the, transaction is cancelled and access to the media file is denied ([0080])." (emphasis in original). *Id.* Claim 11 requires



“immobilizing a **physical** media corresponding to the digital media files.” (emph. added). At most, Pou discloses denying access to the media file, rather than a physical media corresponding to the media file. A media file is not a physical media. See Specification, paras. [0010]-[0011],[0120]. The combination of *O’Kane* and *Pou* does not disclose all of the elements of Claim 11 and thus does not render Claim 11 obvious.

In view of the foregoing, Claims 1-20 are believed to be in condition for allowance. A Notice of Allowability with respect to these claims is thus respectfully requested.

#### **New Claim**

Claim 21 has been added. Claim 21 is an independent claim that includes the subject matter of Claim 1. Additionally, paragraph [0125] describes the implementation of the subject matter of Claim 21 in computer-implemented processes and apparatuses. Claim 21 therefore includes no new matter. Claim 21 is allowable for at least the reasons stated above regarding Claim 1.

#### **Conclusion**

Applicant believes the above the amendments made herein overcome all of the Examiner’s objections and rejections and that Claims 1-21 are in condition for allowance. Applicants respectfully request that a timely Notice of Allowance be issued for Claims 1-21.

The Commissioner is hereby authorized to charge any additional fees or credit overpayment under 37 CFR 1.16 and 1.17 which may be required by this paper to Deposit Account 162201.

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Should the Examiner have questions or suggestions, she is requested to call either applicant's undersigned attorney, or attorney J. Philip Polster, at 314-238-2400.

Respectfully submitted,

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